1 2 3 4	CALIFORNIA DEPARTMENT OF INSURANCE LEGAL DIVISION Enforcement Bureau - San Francisco Risa Salat-Kolm, Bar No. 112031 45 Fremont Street, 21st Floor San Francisco, CA 94105 Telephone: 415-538-4127 Facsimile: 415-904-5490	
5		
6	Attorneys for Steve Poizner Insurance Commissioner	
7	BEFORE THE INSURANCE COMMISSIONER	
8	OF THE STATE OF CALIFORNIA	
9		
10	In the Matter of	File No. UPA-2009-00002
11	NEW YORK LIFE INSURANCE COMPANY,	ORDER TO SHOW CAUSE,
12	COMPANT,	STATEMENT OF CHARGES, AND
13	Respondent.	NOTICE OF MONETARY PENALTY
14		(Insurance Code Sections 790.03, 790.05 and 790.035)
15		
16	ORDER TO SHOW CAUSE	
17	WHEREAS, the Insurance Commissioner of the State of California ("the Commissioner")	
18	has reason to believe that NEW YORK LIFE INSURANCE COMPANY has engaged in this	
19	State in acts that are not in compliance with certain California laws and regulations, as set forth in	
20	the STATEMENT OF CHARGES contained herein; and	
21	WHEREAS, the Commissioner has reason to believe that a proceeding with respect to the	
22	alleged acts of Respondent would be in the public interest.	
23	NOW, THEREFORE, and pursuant to the provisions of Section 790.05 of the California	
24	Insurance Code, Respondent is ordered to appear before the Commissioner on a date and time to	
25	be determined and show cause, if any cause there be, why the Commissioner should not issue an	
26	Order to Respondent requiring Respondent to Cease and Desist from engaging in the methods,	

acts and practices set forth in the STATEMENT OF CHARGES contained herein and imposing

#531138v1 -1-

the penalties set forth in Section 790.035 and referenced herein.

27

28

STATEMENT OF CHARGES

- 1. At all times set forth herein, Respondent has held a Certificate of Authority issued by the Insurance Commissioner to transact life and disability insurance.
- 2. The California Department of Insurance (CDI) conducted an examination of Respondent's claims handling practices during the period January 1, 2007 through December 31, 2007. More specifically, the examiners randomly selected 111 of Respondent's group and individual long-term care policies with a total of 872 claims reviewed. Out of the 872 claims reviewed, the examiners found a total of 173 violations of the Fair Claims Settlement Practices Regulations (Title 10, Chapter 5, California Code of Regulations, Sections 2695.1 through 2695.14) and/or California Insurance Code Section 790.03(h); all as more specifically set forth in the report of examination adopted December 4, 2008.

PRAYER

. WHEREFORE, the Commissioner prays for judgment against Respondent as follows:

- a. An Order to Cease and Desist from engaging in the unfair acts or practices set forth herein,
- b. Pursuant to California Insurance Code Section 790.035, for willful acts in violation of Section 790.03 and California Code of Regulation, Title 10, Chapter 5, Subchapter 7.5, Sections 2695.1 through 2695.14, as set forth above, a penalty in an amount to be fixed by the Commissioner not to exceed ten thousand dollars (\$10,000.00) for each act; and for each unfair or deceptive act or practice not found to be willful, a penalty in an amount to be fixed by the Commissioner not to exceed five thousand dollars (\$5,000.00) for each act.

Dated: June 23, 2009.

STEVE POIZNER
Insurance Commissioner

By

"SS"
RISA SALAT-KOLM
Senior Staff Counsel

-2-